(d) the steps Government propose to take to ensure that lending to priority sector in Gujarat is fully met by public sector Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM):

(a) The names of the lead banks in Gujarat and the Districts covered by them are given below:

Lead Bank	Districts
i. Bank of Baroda	1. Vadodara
	2. Bharuch
	3. Valsad
	4. Dangs
	5. Kheda
	6. Panchamahals
	7. Surat
	8. Anand
	9. Godhra
	10. Dahod
	11. Navsari
	12. Narmada
ii. Dena Bank	1. Ahmedabad
	2. Banaskantha
	3. Gandhi Nagar
	4. Kutch
	5. Mehsana
	6. Sabarkantha
	7. Patan
iii. State Bank of Saurashtra	1. Amreli
	2. Bhavnagar
	3. Jamnagar
	4. Junagarh
	5. Rajkot
	6. Surendranagar
	7. Porbandar

(b) and (c) The target of lending to priority sector for Indian commercial banks is 40 per cent of net bank credit on an All India basis. The performance of these three banks in lending to priority sector in Gujarat during the last three years is given below:

Name of the lead bank	Priority sector lending as percentage of net bank cradit in Guarat		
	1995-96	1996-97	1997-98
1. Bank of Baroda	45	41	43
2. Dena Bank	39	37	44
3. State Bank of Saurashtra	47	47	51

(d) The State Level Bankers' Committee in Gujarat regularly reviews all aspects of bank credit including lending to priority sector. To improve the infrastructure in rural areas and with a view to enhance credit flow, the States were allowed loans under Rural infrastructure Development Fund (RIDF)-I,II and III. A number of steps have also been taken by the Govt., RBI and NABARD to enhance credit flow to agricultural sector including advice to commercial banks to increase credit to agriculture by 25 per cent and setting up separate agricultural branches exclusively for high tech agricultural advances.

Steps to Attract foreign Capital

*588. DR. D. VENKATESHWAR RAO: Will the Minister of FINANCE to pleased to state the steps taken to attract private foreign capital to offset the decline in official flows on account of economic sanctions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): The general approach of the Government in countering the effect of the sanctions is to try to get a better understanding of our position on the part of other countries and also to ensourage private capital flows. To this end, the Government is pursuing its stated policies of encouraging foreign direct investment and investments from NRIs and FIIs while ensuring that our domestic economic situation continues to be strong.

In conformity with the policy of the Government various measures have been

initiated to encourage foreign direct investment and investment from NRIs/ OCBs and FIIs. The automatic approval list for industries has been expanded to allow foreign direct investment upto 100% for projects relating to electric generation, transmission and distribution, provided the foreign equity in any such project does not exceed Rs. 1500 crores. The Government has allowed forward exchange cover for incremental equity investments by FIIs. Equity investment limits for FIIs and NRIs/OCBs in a company have been separated and made independent and the equity investment limits for NRI/OCB have been enhanced. Investments by FII debt Funds in unlisted domestic debt securities has also been permitted.

In additon, in accordance with the announcements made in the Union Budget 1998-99, Unit Trust of India is planning to launch a new India Millennium Scheme to invite subscription in dollars from the NRIs. State Bank of India is planning to launch a new Resurgent India Bonds denominated in foreign currencies for subscription by NRIs. The budget also proposed measures to accelerate processing and implementation of FDI.

Illegal Mandrax Tablet unit unearthed by DRI

*589. SHRMATI JAYAPRADA NAHATA:
DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether illegal Mandrax tablet unit has been unearthed by the Directorate of Revenue Intelligence in June, 1998;

(b) if so, the action taken against those involved; and

(c) the adequate measures taken/proposed to be taken to stop such activities in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) On the basis of specific Intelligence developed by the Directorate of Revenue Intelligence, that one Shri Pawan Saxena, is using his electrode manufacturing factory i.e. M/s. Vimal Industries, located in the Industrial Estate, in Pilukhedi, Distt. Rajgarh, Madhya Pradesh, for clandestine manufacture of Mandrax tablets, the factory premises were searched by the officers of Central Excise Commissionerate, Indore-II, on 9.6.98. The search of the promises resulted in the recovery of a small quanity of Mandrak tablets and 160.950 Kgs. of Methaqualone powder, collectively valued at Rs. 32.19 lakhs, in the Indian market (Rs. 3.20 crores in the International Market). Two tabletting machines, dryer, mixer and dies used in the manufacture of the tablets, valued at Rs. 3 lakhs were also seized. Since the electrode factory was being used for clandestine operations, the electrode manufacturing machines, raw materials & finished products, totally valued at Rs. 10 lakhs approximately, alongwith 2 vehicles used for transport of contraband goods were also seized.

In the follow up, search of the residential premises of Shri Pawan Saxena, the proprietor of the unit, was conducted, which resulted in recovery and seizure of a small quanity of mandrax tablets, a dismantled tabletting machine along with dies valued at Rs. 1 lakh approximately. In addition, sale proceeds of narcotic drugs amounting to Rs. 5.30 lakhs, was also recovered & seized from the residential premises of Shri Saxena.

All the three persons, found involved in the case namely, Shri Pawan Saxena & his two associated viz. Mahesh Kumar and Shri Ravindra Pathak alias Ravindra Sharma were arrested under Section 42 of NDPS Act, 1985 and remanded to the judicial custody. Further investigations are in progress. Appropriate action against the involved persons including prosecution provided under. NDPS Act, 1985, will be taken on completion of the investigation.

5529/RS-2B